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Office of The Attorney General State of Connecticut

TESTIMONY OF ATTORNEY GENERAL RICHARD BLUMENTHAL BEFORE THE JUDICIARY COMMITTEE MARCH 19, 2009

I appreciate the opportunity to support Senate Bill 1119, An Act Establishing an Office of Condominium Ombudsman and Revising Certain Common Interest Community Requirements.

This proposal creates a state commission to review condominium unit owner complaints concerning violations of state condominium laws by the association's board of directors, officers or professional managers. The ombudsman would also review complaints about violations of condominium bylaws concerning finances, calling or conduct of association meetings or access to public records of the association. The association must attempt to mediate disputes. The ombudsman would review any disputes and, if necessary, it would hold a hearing and issue orders to resolve problems and ensure that bylaws and state laws are respected.

The costs of the ombudsman would be paid through a small annual assessment on condominium associations in the state: \$50 for condominiums with 20 or fewer units; \$100 for condominiums with between 20 and 100 units and \$200 for condominiums of more than 100 units.

My office receives hundreds of complaints from condominium unit owners regarding violations of state condominium laws or condominium bylaws by their association board of directors. Sadly, no state office exists to effectively assist these unit owners. The state agency established in Senate Bill 1119 would provide help to outmatched, overwhelmed unit owners who are fighting for their basic rights under our condominium laws.

Under this proposal, the Attorney General, upon referral by the ombudsman, may bring a civil action to enforce the provisions of the condominium bylaws or state statutes regarding condominiums. Senate Bill 1119 contains an important provision allowing for the ombudsman to impose a civil penalty of not more than \$200 for any knowing violation.

Many of the complaints received by my office concern failures by association boards of directors to follow basic governance principles such as adopting an annual budget with notice to the unit owners, holding fair elections for the board of directors, providing key financial information about the association, and fairly imposing association fines.

Some of these complaints are based on deliberate indifference by association boards to association bylaws or state condominium laws. Others are probably due to a lack of full understanding of condominium association responsibilities.

The current law is unfair to unit owners. The law imposes certain responsibilities on condominium association boards of directors and establishes certain rights for unit owners. The unit owners must hire -- at their own expense -- a lawyer to enforce those rights and responsibilities while the association boards of directors can defend themselves using association funds, raised through assessments on the unit owners. Thus, unit owner funds are used to defend lawsuits brought by unit owners themselves.

A Condominium Ombudsman will provide much-needed assistance to unit owners and provide an important enforcement tool for our condominium laws.

I urge the committee's favorable consideration of the provisions establishing this critical state agency contained in Senate Bill 1119.